Development (193 8) Department.

Ms SERIES.

G.O. No. 1024

DATED 20-4-38

[Despatch Abstract.]

Cooperative Societies - Hospet Town Bank - Supersession of committee restoration papers - recorded.

Dev. 1635-V/37
18-8-37

Honourable The Minister for Co-operation, Labour and Industries with the Government of Madras,

Fort Saint George,

MADRAS.

Ref:-- C.O.No. 1484 dated 5th July 1937.

Sir,

We the share-holders of the Co-operative Urban Bank Ltd., Hospet beg to represent the following for favour of earnest consideration of the Government.

2. The directorate had submitted two appeals to the Government for revision of audit certificates for 1934-35 and 1935-36. While the appeals were under consideration the directorate as a result of intolerable humiliating treatment meted out to them by the Deputy Registrar of Bellary resigned as a protest. The Joint Registrar acting on the report of the Deputy Registrar passed orders superseding the bank for a period of three months on two grounds (1) that the directors created a dead lock by tendering resignation and (2) that they demanded a high rate of dividend at 9 per cent per annum. The directors and the share-holders protested against the orders of supercession in their representations to the Government submitted from time to time. A perusal of all the representations would make it amply evident that the supercession was quite unjustified and was not in any way advantageous to the share-holders. The Government after prolonged consideration passed orders in G.O.No. 1484 dated 5-7-1937 requesting the Registrar to revise the audit certificate and to issue instructions to the Deputy Registrar to convene a meeting of the General Body of the Bank at an early date for election of office bearers.

3. Before orders were passed by the Government the Joint Registrar extended the period of supercession for a further period of seven months from 1-7-1937 on grounds

different from those which he advanced in the beginning. The grounds on which extension is based are really those brought about by the official management. Time that was conducive to good collection was allowed to elapse and progress shown was halting in every respect. The share-holders find it difficult to escape the conclusion that this was only a manouvre for seeking grounds for extension. The procedure is quite unpalatable and would not under any circumstances carry conviction to the share-holders.

4. The bank has been sustaining tremendous loss. The share-holders have no opportunities for obtaining loans. The bank has to meet the salary, pensionery and leave -- allowances of the Junior Inspector in charge of the bank which amounts to Rs.100/- per month. The department have forfeited the confidence of the share-holders to some -- extent already. Any further stiffness in this direction would aggravate the estrangement. This is not conducive to the growth of co-operation.

5. The Manager of the bank has called for a meeting of the General Body on the 29th August 1937 for "declaration of dividend". Obviously the department has no mind to hand-over the bank to the share-holders in spit of the orders of the Government. The attitude of the -- department is very much resented by the share-holders. The department wants to adhere to their order of supercession whether the circumstances justified it or not and whether the Government passed orders for restoration or not. The share-holders condemn the action of the department in thus going against the will of the share-holders and the orders of the Government.

6. We therefore respectfully urge upon the Govern-ment the immediate necessity for perusing the previous papers

gauge the mind and the strength of feeling of the share-holders of the bank and to see the shallowness of the -- orders extending the period of supercession to the displeasure of the share-holders. In the end we appeal to the Governmentto issue a telegraphic instructions for - convening the meeting of the General Body on the 29th - instant not only for consideration of audit certificates but also for election of office bearers with a view to handover the management to the share-holders.

We beg to remain,
Sir.
Yours faithfully,

B. Venkatachalapathy
Ex Secretary
and 32 others.

H o s p e t.
Dated 16th August 1937.

Copy to

1) The Secretary to the Department of Co-operation Fort Saint George, Madras.

2) The Parliamentary Secretary to the Minister of Co-operation, Fort Saint George, Madras.

3) The Registrar of Co-operative Societies, Madras.

4

To

The Manager,

Co-operative Urban Bank Ltd.,

HOSPET.

Sir,

We desire to bring the following resolution for consideration of the General Body meeting to be held on 29-8-1937.

"The election of office bearers may be proceeded with in accordance with the G.O.No. 1484 dated 5th July 1937"

(K)

Copy to the Government and the Registrar of Co-operative Societies, Madras for information.

Hospet
16/8/37

(sd) B. Venkambhat
Ex Secretary
and 34 others.

True Copy

B. Venkambhat
16/8/37

CO-OPERATIVE **DEPARTMENT.**

Received 19 *Registered* Dev. 1859 19

4.9.37

Subject.

Supersession - Hospet Town Bank Ltd. - Supersession of the Committee.

ENCLOSURES.
No.
Spare copies

F.No. 5236/37

Station Madras, *Dated the* 2nd September 1937.

From (Name) T. Austin Esq., I.C.S.,
(Designation) Registrar of Co-operative Societies,
Chepauk, Madras

To The Secretary to the Government of Madras,
Development Department,
Fort St. George,
Madras.

Sir,

In G.O.MS. 1484 Dev. dated 5-7-1937 Government ordered that a meeting of the general body of the bank should be convened "as early as possible" and a normal committee restored on receipt of the order. I called for a report from the Sub Deputy Registrar, Bellary whether a directorate could be constituted before the expiry of the present period of supersession which runs up to 31-12-1937. I enclose copies of the reports of the Sub Deputy Registrar and the Manager of the bank which reveal that the condition of the bank is still unsatisfactory and that the restoration of the Committee before

the bank is brought to a level of safety or usefulness will not be advisable. I therefore propose to defer action until I have myself visited Hospet. I have issued telegraphic instructions to the Manager of the bank to adjourn ~~xxxxxx~~ sine die the meeting called for on 29-8-1937.

I have the honour to be,

Sir,

Your most obedient servant,

L. [illegible]

For Registrar.

K.K/3-9

379

379

C.F.-32.

In reply, please quote number, date and short title.

Co-operative DEPARTMENT.

Received 20 AUG 1937 Registered

From (Name) M.R.Ry.; M.Venkataratnam Pantulu Garu,

(Designation) Sub Deputy Registrar of Co-operative societies,

Post Box ....., (Station) Bellary.

Telegraphic Address.....

To

The Registrar of Co-operative societies, Madras

Through the Deputy Registrar of Co-operative Societies, Anantapur.

Ref No. 15:65:37 *dated* 22-8-37. 19 .

Sir,

Sub:- Hospet Town Bank Ltd.,- Supersession-supersession of the Committee.

Enclosures

Ref:- G.O., Ms. 1484/Dev/ dated 5-7-37.

Registrar's memo F. 5236/37 dated 29-7-37.

Spare Copies

I beg to submit as follows:-

The Board of directors of the Hospet Town Bank Ltd., that was superseded comprised of a vakil his own clerk as President and Secretary, respectively and their satellites in it. These are still strong in their attitude to get back their lost position and are canvasing to that end. Many of the members are composed of defaulters and those tnat have no ostensible stake but had been accomodated with loans and persons who derive advantage if the ex-secretary comes again to office. The ex-secretary is busy canvasing, after the receipt of the G.O., the members that if the old directorate is restored, there will be extentions to loans and there will not be executions for the realisation of the dues. To educate the members of the actual state of affairs and the several surreptitious dealings done by the previous Board it will take time and that has to be done cautiously.

There are several execution petitions filed in

in the local District Munsif's court evidently to help some vakils. Though the petitions were thrown out for some reason or other, the vakils did not return back the files to the society. Some of them have not yet given the accounts. The Manager is obliged on that account to take copies of decrees for execution through the Department. The vakils are not for Departmental execution because there are some cases which directly effect the relations or friends of the old directorate. To this end till all the decrees once filed in the Civil court are again presented for Departmental execution there will be a repitition of the same course if the society is handed over to the Board.

The Manager was able to do the spade work till now and know where the mistakes lay. He now takes up the execution work in earnest. Till the recalcitrant cases and cases in which the influential members are involved are filed and proceeded I submit that the question of restoring the committee be kindly be deferred. Since it will take at least two months to get back the records or copies and file them Departmentaly that time may kindly be allowed. In this connection I beg to enclose a copy of the report of the Manager of the Town Bank for favour of perusal . It gives in detail and in extenso the several defects for which the previous directorate is responsible I did not reeiterate those points in this . Time may kindly be given for this till at least first November 1937 by which time much of the work to be done in the matter of execution can be attended to.

pp 11-24

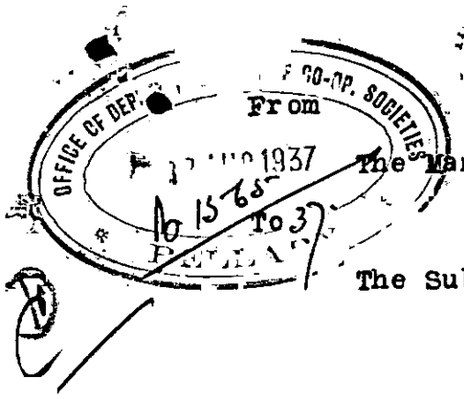
In this connection I beg to suggest that the ex-secretary Mr. Venkanna Bhat seems to be a very undesirable man and has to be excluded from the Board. At present the bylaws of the Bank for the election of the Board members are so drawn up that the existence of the directorate for any length of time can be perpetuated. The bylaw requires amendment and this will be tried at the next general body.

3. 45 10

management may kindly be continued till November 1937 if not till 31-12-37 the period up to which the present orders run.

Muenkatarathnam
22-8-37
Sub Deputy Registrar.

G.V.S.R/ 22-8-37.



25 AUG 1937

From

The Manager, The Hospet Co-operative Town Bank Ltd., Hospet.

To

The Sub Deputy Registrar of Co-operative Societies,

Bellary.

(Camp)... Bellary..... Dated 17th August 1937.

Sir,

Sub:- Supersession-Hospet Co-operative Town Bank Ltd., Hospet -Supersession of the Committee-Report submission of.

Ref:- B. 1565/37 dated 5th August 1937.

I beg to submit my report on the working of the Bank as follows. The Hospet Co-operative Town Bank Ltd., was superseded in Registrar's Proceedings No. F. 981/37 dated 26-2-37 and F. No. 981/37 dated 26-5-37 and I was posted as Manager with effect from 1st March 1937. The following facts reveal the present state of affairs of the Bank with reference to the financial side of the Bank. As the working of the Bank is on a large scale and as it will naturally take time to know about surreptitious and nefarious dealings it took me about six months to know the following which I had to do during off hours after attending to my Bank routine duty.

PURCHASE OF IMMOVEABLE PROPERTIES IN CIVIL COURT.

(1) The Bank purchased immoveable properties in 8 houses for a sum of Rs. 2,927/- and wet lands of one defaulter (7 acres and 78 cents) for Rs. 1,595/- (in all totalling Rs. 4,522/-) I inspected all the houses and found that they are not worth even a small fraction of the purchase money as they are in the slums of Hospet Town. They are ill-ventilated dilapidated ones, and five are reputed to be haunted by devils and no price is expected of them; and even to offer them for sale they require elaborate repairs. The Bank is now paying the Municipality taxes without any income from them. The list of the houses is enclosed for ready reference.

Out of eight houses purchased (in seven cases) Eight loans to the tune of Rs. 2,477/- under principal Rs. 533-10-2 under interest and Rs. 139-6-10 under [illegible]

The collection of these amounts is doubtful. One house is purchased for Rs. 305/- and is under contest in Civil Court.

I have also inspected some of the wet lands which the Bank authorities purchased ~~there~~. * They are about 3½ to 4 miles from Hospet and major portions are covered by weeds; and water could be got with the utmost difficulty. With great difficulty I had to lease out in February 1937 about 5 acres and 94-cents to the same person who took it for a lease in previous years. S. No. 252 (1 acre and 84 cents) could not be leased as the land is unfit at present for cultivation. The lease amount of the lands leased is Rs. 130/- which is very small in consideration of the amount covered on it. The Land Revenue (Rs. 78/-) is paid by the Bank for all these lands.

* S.No. Extent. A. C.
252 1 84
301 2 22
302 2 99
310 0 73

Mr. B. Venkana Bhat pitched upon certain people and only those people would always take up the lands on lease. He leased them for Rs. 70/- a nominal sum, which was short by Rs. 8/- to Land Revenue. This was done by the Ex-Secretary Mr. B. Venkana Bhat without due publication in the Town, and most of the members and public of Hospet asked me that they do not know how many lands the Bank has purchased and to whom they have been leased out. Such things were done only privately either in the house of the Ex-secretary (Mr. B. Venkana Bhat) or within the four walls of the old Bank building situatdd in the house of Mr. T.S. Krishtna Rao (Ex-president of the Bank). and under whom Mr. B. Venkana Bhat is a vakil clerk / This year I have to make wide publication in the Town for leasing out these lands and get better lease amounts or try to dispose them off by making wide publication in the town and also in the neighbouring villages.

An amount of Rs. 900/- was advanced to one G. No. 314 Bondadi Narasappa on 20-6-30 on the security of 7 acres 78 cents of wet land and it was neglected to be collected for some years. In the mean-while the borrower died leaving two minor sons. Even after purchasing all these lands by the Bank for Rs. 1595/-, still there is an amount of Rs. 266/- under principal Rs. 13-5-2 under interest and Rs. 31-3-11 under court costs outstanding in the name of the deceased borrower. The land bought for Rs. 1595/- is not worth

11 (b) LOANS UNDER CIVIL COURT EXECUTION. Pleader Mr. M. Raghavendra Rao.

About 70 decrees were filed for execution through Mr. M. Raghavendra Rao, Pleader Hospet who is a party man of both the ex-president and the ex-secretary. I have requested the pleader several times to render a list with action taken on each execution petition so that I may avoid expiring of limitation, but he never cared to render proper accounts for the amount received from the Town Bank under court costs and furnish details of work done in each E.P. He requested the assistance of the Bank clerk to prepare such a list in his letter dated 2-6-37 and I deputed the clerk (my letter dated 4-6-37) The Bank clerk went several times and came back saying that he was ill-disposed and engaged other wise.

An advance of Rs. 15-2-0 is pending recovery from the pleader (advanced to him on 29-1-36) and I have requested him several times to refund the amount. So far he has not refunded the amount nor furnished me with a list and stages of execution petitions pending with him. The amount of court costs spent towards execution of decrees is very heavy for which no collections have been effected.

Mr. M. Raghavendra Rao Pleader Hospet-Abstract of loans with court costs outstanding.

Principal	...	6,500	0	0
Interest	...	2,476	9	7
Court costs.	...	402	10	10
		9,379	4	5
Estimated bad debt.		6,649	0	0
Estimated doubtful debt.		458	0	0
Total amount after deducting share capital.		8,107	0	0

Efforts have not at all been made by the pleader Mr. M. Raghavendra Rao in realising the amounts. Being a Party man of Mr. T.S. Krishtna Rao and Mr. B. Venkana Bhat, ex-president and ex-secretary decrees were given to him for execution. Even in Government servants' co-operative society ltd., Hospet decreees given to him

decrees given to him were withdrawn for the reason that he did nothing. The reasons for not taking prompt action are that some of the defaulters are employees of the District Munsiff Court, Pleaders and Pleaders' Clerks and party men of Ex-President Mr. T.S. Krishna Rao and Ex-Secretary Mr. B. Venkanna Bhat. Decrees were simply filed for execution only to show to the public that they are taking action in Civil Court. By the dilatory action taken by the Ex-President and the Ex-Secretary an amount of Rs. 7,107/- is considered as bad and doubtful. I have now to withdraw all these cases and execute the same Departmentally.

II (C) Civil Court executions with Mr. D. Sripathy Rao Advocate, Bellary.

Three decrees were given for execution to Mr. D. Sripathy Rao Advocate, Bellary who is the relation of Mr. T.S. Krishna Rao Ex-President.

Mr. D. Sripathy Rao, Advocate Bellary Adstract of outstanding loans with court costs.

Principal outstanding.	...	Rs. 879- 0-0.
Interest Do.	...	317- 9-3.
Court costs and other expenses.	...	31-12-3.
	Total	Rs. 1228- 5-6.
Probable bad debt after deducting Share-capital.		849- 0-0.

Action taken by the Advocate. :-

Loan No. 1061 B. Krishna Char filed for arrest through the above Pleader was got withdrawn by the Ex-Secretary Mr. B. Venkanna Bhat for no reasons. The entire amount is now doubtful of recovery.

Loan No. 1200 Mudlapur Krishtappa - total amount due Rs. 931-15-5 filed for arrest through the above pleader was got withdrawn by the Ex-Secretary Mr. B. Venkanna Bhat for no reason. The entire amount is doubtful of recovery.

Joint family loans on the suretyship of brothers.

G.No.	Loan No.	Name.	Amount	G.No.	Name of surety.
801	1199	M. Subba Rao			

G.No.	Loan No.	Name.	Amount.	G.No.	Name of surety.
801.	1354.	M. Subba Rao (Deceased)	200.	802.	M. Krishtappa (brother of the deceas
802.	1200	M. Krishtappa	1000	801	M. Subba Rao (Deceased)

The two brothers were members of a joint family. The decrees were executed through the vakils Messrs Krishna Rao, Raghavendra Rao and Sripathy Rao.

As shown above, one Mudlapur Subba Rao was given 2 loans amounting to Rs. 1200/- on the surety of his own brother (undivide Mudlapur Krishnappa. Besides the above loan again M. Krishtappa was ~~standingxxxxxxxxxx~~ given a loan of Rs. 1000/- on the surety of M. Subba Rao (brother standing as surety)deceased .

The amount involved in all these cases are given beeow :-

G. No. 801 Mudlapur Subba Rao (Dedeased) :-

		Principal	Rs. 800- 0-0.
Loan No.	1199	Interest.	459- 6-6.
Loan No.	1354	Principal	200- 0-0.
		Interest	115- 1-0.
		Court costs.	49-13-9.
			1624- 5-3.

G.No. 802 Loan No. 1200 Mudlapur Krishtappa :-

Principal.	693- 0-0.
Interest.	238-15-5.
	931-15-5.
Total amount due by M. Subba Rao (Deceased P and M. Krishtappa brothers.	2556- 4-8.
Deduct share-capital	400- 0-0.
Amount of Bad and Doubtful debt.	2156- 4-8.

The Ex- president Ex-Secretary and directors are entirely responsible for the gross neglect of duty by advancing loans indiscreminately to undivided joint family brothers with no other property. The amount involved will have to be surcharged and collected from the Ex-Secretary and other Directors who voted for the grant of these loans to these brothers of the joint family. This loan transaction will alone prove that the

Ex-secretary and ex-president with a following of their own in the directorate to vote resolutions to their taste wasted the public moneys and brought the sacred institution to a chaos.

G.No. 912 L. No. 1430 Mahammad Asudulla Saib Police Constable No. 82 Asperi, Alur Taluk.

G. No. 912 Mahammad Asudulla Saib was due to pay Rs. 166-10-1 under principal interest and court costs. On the plea that the Judgment debtor was not found the petition was got dismissed.

I hm since addressed the District Superintendent of Police in the matter on 26-6-37 and as the Judgment Debtor is a Police constable, the D.S.P. was pleased to order a recovery of Rs. 3/- every month from out of his pay and remit the amount to the Bank.

DEPARTMENTAL EXECUTIONS. Five decrees executed through the department. Abstract of outstanding amounts are given below.

- Principal outstanding	3,600	0	0
- Interest	898	9	5
- Execution and other costs.	75	0	0
- -	4,573	9	5
Amount of bad debt.	448	0	0
Amount of doubtful debt	1,698	0	0
Total after deduction of share capital	2,146	0	0.

In the case of G. No. 40% L.No. 1461 R. Srinivasa Sastry (Deceased) widow R. Sarasamma.

- An amount of Rs. 600/- was granted on the security of the house. Previous to the granting of this loan a single decree was obtained in L.Nos. 740-745-749-and 752 in Claim No. 103/B/28-29 for Rs. 586-1-8 on 22-6-29. Late Mr. R. Seinivasa Sastry and his wife being the Neighbourers of the ex-secretary Mr. B. Venkana Bhat and as some of his interested parties were sureties in this claim, the Ex-secretary requested the arbitrator in his

Three years lapsed and the defaulter did not pay the amount. The decree amount in claim No. 103/B/28-29 dated 22-6-29 was readjusted by book adjustment on 17-12-32 after lapse of three years and a fresh loan of Rs. 600/- granted. The defaulter being unable to pay this amount the loan account was closed and executed departmentally. The house was brought for sale on 19-7-37 and sold for Rs. 405/-. R. Sarasamma widow of late R. Srinivasa Sastry has no other property than the house mortgaged to the Bank and she has left the town for good and is now residing in the Bombay Presidency. An amount of Rs. 288/- is irrecoverable in this case. This is another instance of the vagaries of the Ex-secretary, Mr. B. Venkana Bhat.

In another case G.No. 934 L.No. 1475 R. Gangamma an amount of Rs. 600/- was advanced on the mortgage of a house and her undivided son G.No. 258 L.Nos. 608 and 615 R.Anantha Sastry was given loan of Rs. 1000/- on the mortgage of one fourth portion of wet lands to be divided amongst four brothers without obtaining a proper sub division deed at the time of disbursement of loan. One fourth portion of the lands was put up for public auction on 19-7-37 and no bidders came to purchase the properties for the reason that the property was not sub divided and that one fourth property of R.Anantha Sastry was not definitely known. Lands are to be got sub divided and then put up for sale. An amount of Rs. 378/- is doubtful of recovery for the present. Apart from this R. Anantha Sastry stood surety for G.No. 412 L.No. 1116 R. Narayana Sastry (a relation) who is declared an insolvent and R.Anantha Sastry's pay of Rs.10/- is now attached. Besides his loan from Town Bank R.Anantha Sastry is a defaulter in the Government servants' Co-operative Society Hospet and his loan is decreed.

G.No. 934 R. Gangamma, mother of R. Anantha Sastry. Her House was put up for sale on 19-7-37 and was sold for Rs. 605/-. The amount of bad debt is Rs. 160/-.

G. No. 319 L.No. 1619 B. Amenoddin. A loan of Rs.1000/-

...ttached and pending sale. The house mortgaged to the Bank is under attachment. An amount of Rs. 280/- is doubtful of recovery.

G.No. 966 L.No. 1539-Matam Krishta Char was advanced a loan of Rs. 1000/-- on 4-10-33 on the suretyship of M.R.Ry. B. Anantha Char, Pleader, Hospet (M.L.A.) The principal borrower has no adequate property and is a defaulter in the Sugar-Cane Growers's Co-operative Society and Loan and Sale C.S., Hospet and the decrees of these societies are under execution now. He has not paid any amount towards Principal or interest up till now and he is not capable of paying any amount. The amount due up to date is Rs. 1240-12-10. The amount is only recoverable from his surety Mr. B. Anantha Char. The decree is under execution against the principal borrower and surety. The surety has to pay.

Decrees pending execution. 15 decrees are pending execution in the Bank and the defaulters have promised payment by the end of August 1937. Some three or four borrowers have paid some amounts after decree and one borrower has promised payment of Rs. 10/- every month and he is regular in his payment up till now. In case of non-payment within the prescribed period all the decrees will be submitted for execution departmentally.

An amount of Rs. 861/- and Rs. 618 respectively is considered as Bad and doubtful.

TOTAL ABSTRACT OF BAD AND DOUBTFUL DEBTS.			BAD	DOUBTFUL
1.		Immoveable properties purchased by Bank	6,359	700
11(a)	Civil Court	Execution pleader Mr. T.S. Krishtna Rao.	2,991	701
11(b)	do	Mr.M. Raghavendra Rao Pleader.	6,649	458
11(c)	do	Mr. D.Sripathy Rao Advocate Bellary.	849	...
111(d)		Departmental execution.	488	1,698
			17,336	3,557.

Total amount of Bad and Doubtful debts. Rs. 20,893/-

The following loans are benami transactions.

G.No.	L.No.	Name of nominal borrower.	Name of principal borrower.	Amount of loan with interest and court costs.		
573	1188	T. Sanna Bharmappa	C.No.39 Barthappana Desai Lakshumana Rao relation of B.Venkana Bhat Ex-secretary. ...	717	11	0
573	784	T. Sanna Bharmappa	R. Venkatappa clerk	127	0	0
574	785	T. Dodda Bharmappa		217	4	0
318	1174	M.Kariyappa	District Munsif ccurt	257	15	7
794	1191	Talavara Bhimajja	112 K. Ganesa Rao (Karnam Kallahalli)	496	1	0
101	1423	Sunkam Baskara Rao	235 K.Venkabappa (partly benami)	986	2	9
704	1163	Thubaki Somappa	(Under investigation) related to be banami)	345	15	0
				3,148	2	0

G. No. 704 Thubaki Somappa was orally enquired on one occasion and he told me that Mr. B. Venkana Bhat (ex-secretary) is being requested to settle the account. He also told me that the ex-secretary never asked the dues and he is not aware of such heavy interest of Rs. 106-13-0 and court costs of Rs. 39-2-0 pending towards Rs. 200/- principal outstanding.

I took charge of the Bank on 1-3-57 and I find that no collections have been effected through Civil Court executions in about 90 cases filed for execution. The ex-secretary did not take proper steps to press executions as most of the defaulters are either Munsiff Court employees, Pleaders' clerks, Pleaders and favourites of the ex-secretary and ex-president./ and some of the Directors. There was a show of execution made to hoodwink the public. The only consolation is that they have filed decrees for execution in Civil Court and thus saved limitation. Heavy amounts have been spent towards ccurt costs in the execution of decrees in Civil Court but in return nothing was realised.

The Hospet Co-operative Town Bank is one of the biggest Banks in the District with a working capital of about one lakh. It is not possible to know in a short period the financial positio. of each borrower. Several members non-members a..d widows and

and deposited large amounts of money in the Bank without knowin the doings of the ex-directorate. Mr. T.S. Krishtna Rao and M B. Venkana Bhat were the actual men that were running the ~~xxxxx~~ Bank, and they are morally responsible for the mismanagement.

In my humble opinion I submit that the Bank does not deserve to be handed over to the new set of Directors elected by the General Body for the following reasons.

(1) That there is a Bad and doubtful debt of about Rs. 20,89.

(2) That adequate steps have not been taken by the ~~ex-presid~~ expresident and the ex-secretary and directors to collect the amounts in the time of collection season.

(3) That loans were not issued on adequate security with reference to the repaying capacity of the borrowers.

(4) That several book adjustment loans were made in rotation resulting in creating bad and doubtful debts especially in the case of ex-directorate and their favourites.

(5) That loans were issued to joint family brothers and relations which are now found to be bad and doubtful of recovery.

(6) Court costs register was not maintained to know how much is due in each case and how much was given to pleaders for execution of decrees entrusted to them.

(7) That there are Benami loans existing in the Bank.

(8) That the ex-secretary Mr. B. Venkana Bhar is obstructi collection work informing the borrowers that he would take charge of the Bank again and grant extension of time and adjust the loans to reduce over dues.

(9) That the ex-secretary is going to each borrower's house now and explaining him that he has received orders from the Government to take charge of the Bank and that all of them should help him in the ensuing elections.

(10) That most of the members especially Boya and other illeterate members who are ignorant of the bylaws and rules of the Bank, the ex-secretary is taking advantage of this to gain his ends by means of ~~thi~~ threat that --

takes charge of

worth more than Rs. 500/- as circumstances now [illegible] is proof of evidence that the Ex-president and the Ex-secretary have entirely neglected collection work and the balance of outstanding amount and a portion of purchase amount on lands is now irrecoverable. I am now to approach the legal heirs and representatives if possible and try to collect the amount.

I estimated a bad debt of Rs. 6,359/-, and Rs. 700/- as doubtful debt (total Rs. 7,059/-) after deducting share capital of the respective members. This bad and doubtful debts was/were created by Book adjustment or granting fresh loans when previous loans were in arrears. In my opinion I submit that loans have not been granted on adequate security with reference to repaying capacity of the borrowers and the money was not demanded of them in time.

ABSTRACT OF ESTIMATED Bad AND DOUBTFUL DEBT BY PURCHASE OF IMMOVEABLE PROPERTIES BY THE BANK.

	Rs.	As.
Purchase of immoveable properties worth about thousand Rupees.	4,522	0
Principal still outstanding after purchase of immoveable properties	2,743	0
Interest do do	546	15
Court costs and other expenses. do	170	10
	7,982	10
Amount considered as bad	6,359	0
Amount considered as doubtful	700	0
Total amount considered as Bad and doubtful after deduction of share capital.	7,059	0

11. LOANS UNDER CIVIL COURT EXECUTION: Pleader Mr. T.S. Krishna

(a) Ex-president of the Bank.

There are still 20 outstanding loans of which payments in two cases are being taken and in the rest 18 cases Bank has purchased immoveable properties in three cases the rest of the cases execution petitions were dismissed for want of bidders, granting time by the Board of Directors and the petitions were closed. The Ex-secretary was getting the petitions in the court closed by adducing reasons of non service of summons and notices on the parties concerned and

...tors to approve his action in cases where
dgment debtors are men of his party.

...S. Krishtna Rao-Pleader - ABSTRACT OF LOANS OUTSTANDING.

Principal	Rs. 4,431	0	0
Interest	858	13	9
Court costs and other expenses.	225	11	0
	5,515	8	9

The above sum covered by execution applications filed rough Mr. Krishtna Rao was not recovered. The files re closed.

timated bad debt.	2,991	0	0
" Doubtful debt.	701	0	0
tal amount of bad and doubtful bt after deducting share capital	3,692	0	0

Mr. T.S. Krishtna Rao the Ex-president of the Bank ~~had~~ cases as plaintiff of the Bank and acted as pleader for laintiff on behalf of the Bank. This was an objectionable ctice. This irregularity was pointed out several times the Ex-secretary Mr. B. Venkana Bhat, pleader's clerk of T.S. Krishtna Rao was ~~xxx~~ persistently giving him decrees execution being himself the secretary of the Town Bank. he defects pointed out by departmental officers were only the knowledge of the Ex-president and the Ex-secretary re never brought to the notice of either the directorate General body the Ex-directors being ~~on~~ the majority ~~and~~ men of the Ex-president, and the ex-secretary never cared ify several defects pointed out on several inspections. In my short experience I have found that no collections en made through Civil Court executions except a sum of s. 60/-.

All these cases are to be withdrawn from Mr. T.S. Krio Ex-president for ~~for~~ action through the Department. The sts taken by Mr. T.S. Krishtna Rao (ex-president) is too much with no corresponding collections for the cases entrusted to him.

and (11) That the Bank needs a paid secretary instead of honorary secretary as the pay of the proposed paid secretary may be much less than the honorarium paid in previous years to the honorary ex-secretary and Mr. B. Venkana Bhat and the Assistant Secretary.

Under the circumstances I beg to submit that it may take about two years and more to bring the Bank under control and normal conditions, and I submit that it is not desirable at this grave situation to hand over the Bank to non-official body under normal conditions which will allow Messrs., T.S. Krishtna Rao and B. Venkana Bhat coming again to office and undo what little was done to restore the working of the Bank.

Bellary,
D/ 18-8-1937

I beg to remain,

Sir,

Your most obedient servant,

Manager, The Hospet Co-op. Town Bank Ltd., Hospet (Camp)Bellary.

---- -- ---VEABLE PROPERTIES PURCHASED BY THE HOSPET CO-OP. TOWN BANK.

G. No.	Name of the borrower.	L. No. & date.	Amount for which purchased.	Balance still due.	Reasonable price which it may fetch.	Share capital of the member.
263	R. Marati Bhimoji Rao.	1270 10-10-30	710	596-6 -10	150*	160
314	R. B. Narapappa (deceased)	1146 28-10-30				
	... Lands.....	1215 20-6-30	1595	279-5- 2	500	200
391	Agasara Bharmappa	426 7-7-24	61	13 0 0		5
500	Bellary Mahammad Saib.	650 4-5-26	305	...	100	...
759	Edigara Hanumanthappa	1106 18-9-29	235	56-12-3	50*	40
833	Jothi Komareppa	1271 13-10-31	361	1282--3-2	*	200
709	Dingina Rudrappa	1171 25-3-30	405	456-11-0	100	200
823	Nilivigi Ramachendrappa	1262 12-9-30 1249 1255	850	550--9-10	200*	200

Note:-* Haunted houses - no valuation.

(2) Purchase money on immoveables purchased excluded in the column Balance still due.

32

dev. 1903-V
7-9-37

To

Honourable The Minister for Co-operation, Labour & Industries with the Government of Madras,

Fort Saint George,

M A D R A S.

JOINT SECRETARIAT TO GOVERNMENT 7 SEP 1937

Ref:-- G.O.No. 1484 dated 5th July 1937.

Sir,

Copies as at pp 1-3 ante

We, the share-holders of the Co-operative Urban Bank Ltd., Hospet beg to represent the following for favour of earnest consideration of the Government.

2. The directorate had submitted two appeals to the Government for revision of audit certificates for 1934-35 and 1935-36. While the appeals were under consideration the directorate as a result of intolerable humiliating treatment meted out to them by the Deputy Registrar of Bellary resigned as a protest. The Joint Registrar acting on the report of the Deputy Registrar passed orders superseding the bank for a period of three months on two grounds (1) that the directors created a dead lock by tendering resignation and (2) that they demanded a high rate of dividend at 9 per cent per annum. The directors and the share-holders protested against the orders of supercession in their representations to the Government submitted from time to time. A perusal of all the representations would make it amply evident that the supercession was quite unjustified and was not in any way advantageous to the share-holders. The Government after prolonged consideration passed orders in G.O.No. 1484 dated 5-7-1937 requesting the Registrar to revise the audit certificate and to issue instructions to the Deputy Registrar to convene a meeting of the General Body of the Bank at an early date for election of office bearers.

3. Before orders were passed by the Government the Joint Registrar extended the period of supercession for a further period of seven months from 1-7-1937 on grounds

different from those which he advanced in the beginning. The grounds on which extension is based are really those brought about by the official management. Time that was conducive to good collection was allowed to elapse and progress shown was halting in every respect. The share-holders find it difficult to escape the conclusion that this was only a manouvre for seeking grounds for extension. The procedure is quite unpalatable and would not under any circumstances carry conviction to the share-holders.

4. The bank has been sustaining tremendous loss. The share-holders have no opportunities for obtaining loans. The bank has to meet the salary, pensionery and leave -- allowances of the Junior Inspector in charge of the bank which amounts to Rs.100/- per month. The department have forfeited the confidence of the share-holders to some -- extent already. Any further stiffness in this direction would aggravate the estrangement. This is not conducive to the growth of co-operation.

5. The Manager of the bank has called for a meeting of the General Body on the 29th August 1937 for "declaration of dividend". Obviously the department has no mind to hand-over the bank to the share-holders in spite of the orders of the Government. The attitude of the -- department is very much resented by the share-holders. The department wants to adhere to their order of supercession whether the circumstances justified it or not and whether the Government passed orders for restoration or not. The share-holders condemn the action of the department in ~~this~~ going against the will of the share-holders and the orders of the Government.

6. We therefore respectfully urge upon the Government the immediate necessity for perusing the previous paper

27

to gauge the mind and the strength of feeling of the share-holders of the bank and to see the shallowness of the orders extending the period of supercession to the displeasure of the share-holders. In the end we appeal to the Government to issue telegraphic instructions for convening the meeting of the General Body on the 29th instant not only for consideration of audit certificates but also for election of office bearers with a view to handover the management to the share-holders.

We beg to remain,
Sir,
Yours faithfully,

B Venkuna Bhat
Ex Secretary.

H o s p e t.
Dated 16th August 1937.

Copy to

1) The Secretary to the Department of Co-operation Fort Saint George, Madras.

2) The Parliamentary Secretary to the Minister of Co-operation, Fort Saint George, Madras.

3) The Registrar of Co-operative Societies, Madras.

([illegible] p 4 [illegible])

28

To

The Manager,

Co-operative Urban Bank Ltd.,

HOSPET.

Sir,

We desire to bring the following resolution fo consideration of the General Body meeting to ~~th~~ be held 29-8-1937.

(K) "The election of office bearers may be proceeded with in accordance with the G.O.No. 1484 dated 5th July 2937"

Copy to the Government and the Registrar of Co-operative Societies, Madras for information.

Hospet
16/8/37

(sd) B Venkatarathnam
Ex Secretary.
and 34 others

True Copy

B Venkatarathnam
Ex. Secretary 16/8/37

29

Receipt

Copied 7/10

for 7/10

QM. No. 1635 V/37-2, d. 6.10.37

Ref co: Letter from the Regr of Cs, F. No. 5236/37, dated 29.37.

Hospet Cooperative Town Bank Ltd, Normal Constitution - Restoration

---

The Regr. of Cs. is requested to state when the proposes to visit Hospet.

6.10.37 6.10

for Dy Regr. of Cs

Co-operative **DEPARTMENT.** 30

ASSISTANT SECRETARY TO GOVERNMENT
19 OCT 1937
DEVELOPMENT DEPARTMENT

Received ..... 19 *Registered* Dev. 2535 V 19
19.10.37

Subject.

Supersession - Hospet Town Bank - Supersession of the Committee - Normal constitution - Restoration of.

ENCLOSURES.
No.....
.....
Share copies.....

F. No. 5236/37.

Station Madras, *Dated the* 14th October 1937 19

From (Name) T. Austin Esq., I.C.S.,
(Designation) Registrar of Co-operative Societies.

To The Secretary to the Government of Madras,
Development Department.

Sir,

Ref:--Dev. Memorandum No.1630 V/37--2 dated 6/10/37.

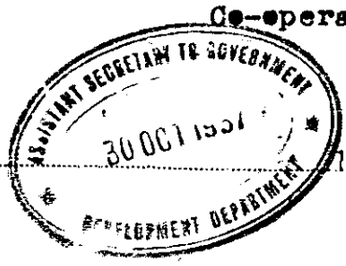
I hope to visit Hospet by the end of this month unless I have to alter my programme owing to meetings in Madras.

I have the honour to be,
Sir,
Your most obedient servant
For Registrar.

G.V.S.18.X.

31

Co-operative DEPARTMENT.



Received ..... 19 . *Registered* Dev. 2694 V 19 .

30.10.37

Subject.

Supersession - Hospet Town Bank - Supersession of the Committ
Normal constitution - Restoration of.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. F-5236/37

Station Madras, , *Dated the* 27th October 1937. 19 .

From (Name) T. Austin Esquire, I. C. S.,

(Designation) Registrar of Co-operative Societies.

To The Secretary to the Government of Madras,

Development Department.

Sir,

Ref:--Development Memo No.1630 V/37--2 dated 6/10/37
and my letters F.5236/37 dated 2/9/37 and 14/10/37

I visited Hospet on the 26th and 27th October, examined the financial condition of the Town Bank and held an informal meeting which was attended by the Ex-President, Ex-Directors and about 20 members. I am satisfied that the Bank has not been well managed in the past and as I have already reported to Government, its condition would justify a further period of supersession. The Junior Inspector who is working as Manager, has already done a good deal, mainly by withdrawing Execution petitions from the Civil Court, where

there was much unnecessary delay and mismanagement; and by making collections; In another month he will, I think, get matters more or less ship shape. I explained the position of the Bank to the meeting and there was a general consensus of opinion that there was room for improvement and that this could be effected if a ~~£~~ paid - Secretary were appointed. I propose, therefore, if Government agree, to restore the normal constitution from December 1st, ~~if~~ the General Body agree to the appointment of a full time paid Secretary, (who need not necessarily be a departmental man). A general body meeting will be called in November and, if they agree to this condition will be asked to elect a Directorate.

I have the Honour to be,

Sir,

Your most obedient servant,

H. [illegible]

For Registrar.

29/10

G.V.S.29.X.

29/10

33

Dev. Dept

22/9.11

ON N° 16357/37-3 dt 8.11.37

Ref: letter from the Reg=r C.S N° 7.5236/37 dt 27.10.37 Hospet Town Bank - supersession of committee - restoration of normal constitution ____

11

8/11/37

The Govt agree to the proposal of the Reg. of Cs that the normal constitution of the Bank may be restored from 1st Dec=r 1937, if the general body of the Bank agree to the appointment of a full time paid Secretary. The Reg= is requested to report the result of the general body meeting to be held in Nov=r 37

8/11

Supdt 9/11/37

To the Reg=r Cs

8/11/37

24 NOV 1937

Dw 3115 V
26.11.37

The Honourable, The Minister for
Labour and Co-operation,
Fort Saint George,
M A D R A S.

SECRETARY TO GOVERNMENT
26 NOV 1937
DEVELOPMENT DEPARTMENT

Sir,

We the ex-directors of the Co-operative Town Bank Ltd., Hospet, beg to represent as follows:--

2. The Urban bank had been working for the past several years and had been showing considerable progress. There was no complaint of any kind in the past against the management.

3. Since 1934, friction arose between the Deputy Registrar and the Directorate. The directors submitted appeals for revision of Audit Certificates for 1934-35 and 1935-36 with a view to provide for a dividend of 4½% to the share-holders. The action of the directors evidently exasperated the Deputy Registrar, and the subsequent correspondence between the Bank and the Deputy Registrar smacked of discourtesy and insult. The directors could no longer brook the treatment meted out to them by the Deputy Registrar and as a last resort with great reluctance they had to resign as a protest. The joint Registrar took this opportunity for superseding the Bank on the ground that the directors created a dead lock by tendering resignation in a body. He further stated that the directors demanded a dividend of 9% which wass quite untrue. This was the reason for supersession.

4. The appeals were disposed of in G.O.No. M.S. 1484 dated 5-7-1937 and the Registrar was requested to restore the normal condition at the earliest possible opportunity. This was not done and the Registrar thought it fit to extend the period of supersession on grounds of mismanagement.

5. The share-holders had to repre: 1937-38
-- --1937 to the Government about this affair and as a result of the representation, the Registrar called upon the members and the ex-directors to interview him at Hospet in the Travellers Bangalow on 28-10-37. The ~~four~~ ex-directors expected that the Registrar would speak to them about the reasons that necessitated resignation enbloc by the directors, but to their surprise charges of mismanagement were flung at them. The directors could not escape the conclusion that these charges were got up only to impose upon the share-holders the appointment of a paid Secretary. The Registrar had the pleasure to announce to the gathering that he would restore constitution provided the General Body agreed to the appointment of a paid Secretary.

6. The soundness of the proposal has got to be examined fully by the general body. It ~~could~~ can be a suggestion but to make it mandatory is something repugnant to the very principle of co-operation.

In the interests of co-operation, we request that you will be so good as to order immediate restoration of the Bank to the share-holders unconditionally.

For which act of kindness, we remain grateful.

We beg to remain,
Sir
Your most obedient Servant,
V. Narasimhamurthy
B. Venkambhat
ಕೆ. ರಾಮಣ್ಣ ಶೆಟ್ಟಿ
K. Rashmatta Rao

Hospet
22-11-37.

JB

Co-operative **DEPARTMENT.**

SECRETARIAT TO GOVERNMENT
4-DEC 1937

Received ..... 19 - *Registered* Dev. 3221 V 19
4.12.37

Subject.

Supersession-- Hospet Co-operative Town Bank Ltd.,-- Supersession of the Committee-- normal constitution-- restoration of.

ENCLOSURES.
No.
Spare copies

No. F. 5236/37

Station Madras, *Dated the* 1 - 12- 19 37

From (Name) T. Austin Esq., I.C.S.,
(Designation) Registrar of Co-operative societies,

To The Secretary to the Government of Madras,
Development Department.

Sir,

pp JB 5-12

Ref: Development Memorandum No. 1635/V/37-3 dated 8-11-37.

A general body meeting of the Hospet Co-operative Town Bank Ltd., was held on 28--11--37 at which the Deputy Registrar, Anantapur was present. The general body, it is reported, unanimously agreed to the appointment of a full time paid Secretary and passed the necessary amendments to the bylaws. The election of directors has however been proposed to be held on 19-12-37. I shall restore the normal constitution as soon as a Board has been formed.

2. A copy of the proceedings of the general body meeting is enclosed.

pp 2.8 29

enclosed.

I have the honour to be,

Sir,

Your most obedient servant,

For Registrar.

K.A/3.1?.

Copy of the proceedings of the General Body meeting of the Hospet Co-operative Town Bank Ltd., Hospet held on 28-11-37 at 2 P.M: at the Theosophical society Lodge:-

It is posposed by Mr. N. Neelakanta Sastry that Mr. A.D. Thandu Mudaliar be elected to preside over the meeting.

Seconded by Mr. B. Gangappa Garu. -

Carried unanimously.

1. To consider appointment of a paid Secretary. Resolved to appoint a paid Secretary.

2. To considdr amendment of bylaws.-.. Resolved to amend the bylaw as follows:

--- " Bylaw No. 20 " for the existing Read:

The members of the Board of Directors shall be elected by the General Body for a period of two years from among the members. The members of the Board of directors shall continue in office after expiry of their term of office until by election another Board is constituted. A retiring member of the Board of Directors shall be eligible for re-election. After the Board of Directors is elected by the General Body, they shall elect from among themselves a President. Interim vacancies of the Board of Directors may be filled up by the remaining members of the ~~Board~~ Board by co-option for the unexpired portion of the period except in cases contemplated in bylaw 24. Any member or members of the Board of Directors may at any time be removed by a resolution of the General Body.

" Bylaw 23 B" Read- A qualified paid Secretary shall be appointed on a suitable pay by the Board of Directors and he shall have no seat on the Board of Management. The Board shall have power to fix the amount and nature of security to be given by the Secretary and other members of the office establishment.

" Bylaw 23-D" Delete.

" Bylaw 25 "-- -- for second sentence ~~read~~-- for moneys paid by members the receipts shall be signed by the Secretary. In the third sentence- delete " the Secretary or ".

" Bylaw No. 11 (2) ".. .. For one year read-- " Two years ".

" Bylaw No. 43" -- .. For one and half pies per mensem read " one and one fifth pies".

" Bylaw 16 A (2)" .. .. Read- interest shall ordinarily be calculated on Fixed deposits at a rate not exceeding fi ve per cent per annum.

" Bylaw No. 16 D" -- Interest shall be calculated on current deposit at 1 % per annum on daily balances if not less than 5 Rupees. Interest being paid yearly on 30th June but if the current depositor closes his account in the co

course of one year such interest may be paid at the time of closing.

" Bylaw No. 55- (2) (a)"-- Delete the above bylaw completely.

Bylaw No. 19- *" In the last sentence read " Nine " for " Thirteen" carried by majority (38 fo and 15 against)

"Bylaw No. 20."... Delete the subsidiary bylaws previously framed for election.

" Bylaw No. ~~20~~ 21"-- Read-- " five " for " Seven " in second sentence.

Resolved that a general body meeting be held on the 19th December, 1937 at 8 A.M. to elect the ~~Board~~ Board of Directors and the manager shall call for the meeting.

Read: revised audit certificates for years 1934-35, 35-36 and certificate of 36-37 and reports approved.

The following distribution of profits is made.

	1934-35.	1935-36.	36-37.
1. Reserve fund ..	522-8	417-2	289-1
2. Honorarium-- Secretary-	251-3	183-0	70-0
3. Dividend Asst. Secretary	125-10	92-1	35-8
equalisation	115-10	42% 938-8.4%	740-12-0
4. Dividend ~~application~~ fund	59-8		3½%
5.Bonus to employees:-			
Clerk ..	10-0	25-0	14-0
Peon ...	5-0	12-8	7-0

Carried unanimously.

In working the percentage of dividend shortages to be made good from Dividend euqlisation Fund.

Sd/ A. D. Thandu.

Chairman. 28- 11-37.

(True Copy)

Dev Dept

O.M. No 16357/37-4 dt 1.3.38.

Ref :- letter from the Reg'g C.S. No F 523/37 dt 21-12-37- Suspension - Stes pet Corpn Town Bank. restoration of normal constitution

The Reg. of Cs is requested to report whether the Directors of the Bank have been elected and the normal constitution has been restored,

1/3

for the Reg'g of Cs.

4'

DEPARTMENT.

Received 17 Mar 1938 ..... 19 (DEVELOPMENT DEPARTMENT)

Registered Dev. 1248-V. 17.3.38 19

Subject.

Supersession - Hospet Co-operative Town Bank - restoration of normal constitution.

4

ENCLOSURES.
No. .....
.....
Spare copies .....

No. F. 1777/38.

Station Madras., *Dated the* 11th March 1938 19

From (Name) T. Austin Esquire, I. C. S.,
(Designation) Registrar of Co-operative Societies.

To The Secretary to the Government of Madras,
Development Department.
Fort St. George, Madras.

Sir,

Hospet

Ref:- Dev. memorandum No. 1635/V-37-4 dated 1-3-38.

The general body of the bank which met on 19-12-37 elected a new set of directors and the normal constitution was restored from that day.

I have the honour to be,
Sir,
Your most obedient servant.

16/3
For Registrar.

S.V.B/15-3-38.

16/3

Dept

Hospet Cooperative Town Bank Ltd. -

Normal Constitution - Restoration.

Cro. 1635 V

To Under Secy

Please see the petition from the Ex. Secretary and others at pp. 1-3 CF. and the Registrar's remarks thereon at pp 6-7 CF. with enclosures thereto at pp. 8-24 CF. A copy of the petition submitted to H.M., and to Malabar, has been added to the file.

2. The Hospet Cooperative Town Bank in the Bellary district earned a profit of Rs 2889-7-0 and Rs 2468-8-0 for the Cooperative years 1934-35 and 1935-36 respectively. Out of these amounts, the Deputy Registrar set apart for a bad debt reserve Rs 1168-0-0 and Rs 800-0-0 and declared the net profits as Rs 1721-7-0 and Rs 1668-8-0, (as in the audit certificates issued by him.) respectively. The Directors of the Bank appealed to the Govt., questioning the propriety and legality of the Deputy Registrar's action on the grounds that as the bylaw provided for allocation to bad debt reserve up to 5 % of the net profits, there was no

need to deduct from the divisible profits, that the position of the Bank in regard to bad and doubtful debts did not warrant such reduction in the profits and that the net profits as arrived at by the Deputy Registrar did not permit the payment of honoraria to the Secretary and the Asst Secy of the Bank and dividend to members at least at 4½ per cent. When the appeals of the Bank were pending with Govt., the Board of Directors resigned in a body and in order to carry on the administration of the Bank, the Registrar appointed a Junior Inspector under Section 4 of the Act for a period of three months from 1-3-37. The period of supersession was subsequently extended by the Registrar for a period of seven months from 1-6-37. In GO No. 1484 (Ms) Rev-d 5-7-37, the Govt., after a full consideration of the various petitions and protests of the Bank and the orders and reports of the Registrar, directed that the provision made under bad debts reserve in the Audit Certificate for 1934-35 should be reduced from Rs 1168/- to Rs 800/- and rejected the petitions of the Board of Directors. The Govt. also instructed asked in all other respects. Accordingly

the Registrar to instruct the Deputy Regr. to convene a general body meeting as soon as possible to see that a directorate was elected and normal conditions restored.

3. The petitioners request that the management of the Bank be handed over to a committee elected in accordance with its bylaws, as already ordered by Court. The Registrar has now forwarded the reports of the Sub-Deputy Registrar and the manager of the Bank on the present condition of affairs. In view of the circumstances ~~revealed~~ disclosed by these reports, the Registrar proposes to defer the restoration of the normal constitution of the Bank until he has himself visited Hospet. It will be seen from paragraph 2 above that the Committee was originally superseded not because it mismanaged the affairs of the Bank but because the management resigned at a body on the eve of the Deputy Registrar's visit of allocation to the debt reserve. This visit having been ordered by Court, the Registrar was asked to restore normal conditions. The proper course would therefore seem to be to hand over the management to the Bank's representatives and then, if the new

Committee does not [illegible] to supersede it, after giving it an opportunity to state its objections, if any, as required by Section 43 (1) of the Madras CS. Act 1932.

In view however of the irregularities brought to notice by the manager of the Spg. Govt. may perhaps advise the board not to entrust the management to a directorate elected by the general body for the present agree to employ the present manager for one year.

4. The Case is submitted for orders with reference to the cross of H.M, Coconuts and Harbour, at top of p. 25 ct.

RSD 2103) Hon 2.10.37.

Cur 2/10/37

S

When is the Registrar going to Hospet? Please find out by 0 m.

Cur 5 x 37

To Under Secy.

A draft Gm. to the Regr is submitted for approval.

RSD 1937) Hon 6.10

Cur 6x

Issued as Gm. No 1635 V/37-2, d 6.10.37

C No. 2535 V - From the Regr of Cos F. No. 5236/37, d. 14. 10. 1937

To Under Secy.

The Registrar's letter at p 30 ct is submitted with reference to Secretary's orders above.

Cur 20x S

RSD 19.10.37) Hon 20.10

Put up on 1.11.37

63

Cur 20 x 37

pp 31-32 cf (from the Regr of C.S No F.5206 of 29/10/37)

To the S

Please see the Regr's report at pp 31-32 cf. Subject for orders whether the Govt may agree with the Regr's proposal. If so may be asked to report the result of the Board meeting.

MRG 1.11.37

MRG 3/11/37

MRG 1/11

MRG 3/11/37

To the S

A draft OM is subject for approval.

MRG 8/11/37

MRG 8/11

(OM No 1635-V/37-3 of 8/11/37 to the Regr C.S.)

pp 34-35 cf

(from the Ex-Directors of the Imperial Bank, dated 22.11.37)

To the S

Please see the Regr's letter at pp 31-32 cf. and the petition at pp 34-35 cf. from the Ex-Directors of the Bank. The Regr's report called for in OM at p 33 cf may be awaited.

MRG 29/11/37

MRG 30/11

(from the Regr CS No F.5206/37 of 1.12.37)

pp 36-39 cf

To the S Please see the Regr's report at

A 4)

for 06-09 cj. ~~His further reporting be~~
accepted. No further action is called for. The appln
15/12/37 may be disposed of. (Cp. 484 dt. 5.7.37)
16/12/37 I suppose R will send a final report after normal
conditions are restored. 14/12

To U.S

The Rgr may perhaps be reminded. draft
OM is subd. for approval.

28/12/37

28/2

(OM to the Rgr CS No 1635/37 dt 30.12.37) for approval
(From the Rgr C.S No F. 1777/38 dt 11.3.38) for signature

To U.S.

Please see the Rgr's report at 4/cj. He reports that a new set of Directors has been elected and the normal constitution of the Bank was restored on 19.12.37. The papers may now be 'Recorded', after perusal by HM - please see his endorsement 25/cj.

24/3/38

29.3.38

29.3.38

HM(1 & C)

29.3.38

Final 30/3/38

Dear Dapp

To U.S.

A draft ltr is subj. for approval.

Ldg 48/20

DRAFT FOR APPROVAL.

C.F. 16.

	Date.	Initials.
When received for fair copying ..		
When copied .		
When examined..		
When signed ..		
When despatched.		

SUBJECT:— Co-operative Societies

Hospet Town Bank supersession proceedings - restoration papers - Received.

READ AGAIN Lr 4824 Dev Dn, dated 5-7-37 (W) 19

" " " 19

READ *ALSO*:—

No. 1635/37 From the Share holders of Hospet Urban Bank, No. , dated 16-8-1937.

" " Encl to the Rr 4 Cs No 1635/37, dated 20-8-37 19

" " From the Rr 4 Cs No F.5206/37, dated 29-8-37 19

" " Petn of Share holding of Bank " F.5206/37 dated 27-8-1937 19

Order / Resolution — Ms. / Routine — No. dated 19

On 1605/37 from the Rr 2 Cs at Bellary dated 31-8-37
Petn under Directors, of Bank, dated 22-11-37
Rr 15 Mr 4 Cs No F.5206/37 dated 1-12-37
F 1222/38 dated 11-2-38

1024. dt. 20-4-38.

Received,

10th Rr 4 Cs

To Ms 21/4

10/5 11/4/38

OB 11.4.